

AMENDED IN ASSEMBLY APRIL 2, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 563

Introduced by Assembly Member Cook

February 25, 2009

An act to amend Section 18707 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 563, as amended, Cook. Personal income taxes: contributions: California Military Family Relief Fund.

The Personal Income Tax Law allows taxpayers, until January 1, 2015, to designate on their tax returns that a specified amount in excess of their tax liability be contributed to the California Military Family Relief Fund to provide financial aid grants to eligible reserve members of the Armed Forces of the United States who are California residents and requires all moneys transferred to the fund, *upon appropriation by the Legislature*, to be allocated as specified.

~~This bill would make technical, nonsubstantive changes to those provisions.~~

This bill would require moneys transferred to the fund, upon appropriation by the Legislature and after allocations to the Franchise Tax Board and the Controller, to be allocated to the California National Guard for distribution to a nonprofit organization selected by the California National Guard for the establishment of financial aid grants, as specified. This bill would also require the awarding of grants from the fund to be governed by a Memorandum for Record.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 18707 of the Revenue and Taxation Code is amended to read:

18707. All moneys transferred to the California Military Family Relief Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties pursuant to this article.

(b) (1) (A) ~~To the Military Department~~ *California National Guard for distribution to a nonprofit organization selected by the California National Guard* for the establishment of financial aid grants to reserve members of the Armed Forces of the United States who are California residents, and who have been called to active duty. Moneys transferred to the California Military Family Relief Fund before January 1, 2009, shall be reserved for the California National Guard. Grants to the members of the California National Guard shall first be distributed from moneys transferred to the California Military Family Relief Fund before January 1, 2009, and only after these moneys are exhausted shall these grants be awarded from moneys transferred to the California Military Family Relief Fund on and after January 1, 2009. ~~The Military Department~~ *nonprofit organization selected by the California National Guard* shall establish eligibility criteria for the grants.

(B) On or after January 1, 2009, the California National Guard may make moneys transferred to the California Military Family Relief Fund before January 1, 2009, up to one hundred thousand dollars (\$100,000), available for distribution to qualified members of the reserve component, excluding members of the California National Guard, until adequate moneys are available to ensure that all approved grants are funded. These distributed moneys shall be repaid to the California National Guard with moneys transferred to the California Military Family Relief Fund on and after January 1, 2009.

(2) It is the intent of the Legislature that every qualified reserve member, regardless of branch, in need of emergency assistance be able to receive a grant. In order to ensure that the grants awarded pursuant to this article are administered objectively, the awarding

1 of grants from the California Military Family Relief Fund shall be
 2 governed by a Memorandum of Agreement *for Record*, developed
 3 by a working group comprised of ~~representatives from at least~~
 4 ~~three reserve components~~ *officers or members, or both, of the*
 5 *nonprofit organization selected by the California National Guard,*
 6 that describes the procedures and requirements for participation
 7 in the grant program. ~~All organizations participating in the grant~~
 8 ~~program must be signatories of the Memorandum of Agreement.~~
 9 *A representative with authority to bind the nonprofit organization*
 10 *selected by the California National Guard must sign the*
 11 *Memorandum for Record.*

12 (3) In addition to criteria established by the ~~Military Department~~
 13 ~~nonprofit organization selected by the California National Guard~~
 14 pursuant to paragraph (1), reserve members of the Armed Forces
 15 of the United States who are California residents shall show proof
 16 of all of the following to be eligible to receive a grant:

- 17 (A) Membership in the Armed Forces of the United States.
- 18 (B) Residency in California.
- 19 (C) Deployment to active duty for at least 60 consecutive days.
- 20 (D) One of the following:

21 (i) The military salary of the member, combined with any
 22 ongoing partial receipt of civilian salary, has decreased by 10
 23 percent or more from the member's civilian salary, or the
 24 household income of the member's family has decreased by 10
 25 percent or more from the member's household income prior to
 26 deployment.

27 (ii) The member, within six months of returning from active
 28 duty, has experienced a 10-percent loss, or greater, in income,
 29 compared to predeployment income, as a direct result of
 30 deployment.

31 (4) Grants awarded pursuant to this article may only be used
 32 for any of the following: food, housing, child care, utilities, medical
 33 services, medical prescriptions, insurance, and vehicle-related
 34 payments.

35 (5) Reserve members of the Armed Forces of the United States
 36 who are California residents shall not be eligible to receive a grant
 37 if the member receives a punitive discharge or an administrative
 38 discharge with service characterized as under other than honorable
 39 conditions.

1 (6) Reserve members of the Armed Forces of the United States
2 who are awarded grants pursuant to this article may be required
3 to receive counseling, within a specified time period, as a condition
4 of the grants.

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